

Senate Bill No. 792

Passed the Senate September 7, 2005

Secretary of the Senate

Passed the Assembly September 6, 2005

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2005, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 14556.50 of the Government Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 792, Chesbro. North Coast Railroad Authority.

Existing law creates the North Coast Railroad Authority to own and operate the former Northwestern Pacific Railroad between Napa and Humboldt Counties. Existing law, pursuant to the Transportation Congestion Relief Program (TCRP), designates \$60 million in TCRP funds for projects to repair and upgrade tracks to Class II standards. Existing law imposes various requirements on the allocation of these funds, with \$5.5 million reserved to fund repayment of the authority's federal loan obligation.

This bill would revise these provisions to allow reallocation of the \$5.5 million reserved for loan repayment to other authority purposes, with \$4 million allocated to environmental cleanup and the remainder allocated to administrative responsibilities.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) The North Coast Railroad Authority (NCRA) seeks state funding for the following activities:

(1) NCRA is responsible for 316 miles of right-of-way from Lombard in Napa County to Samoa in Humboldt County. Until the railroad is fully operational, NCRA is responsible for emergency maintenance issues such as strengthening of levees, repair of bridges, repair of culverts and flood-related damage, vegetation and weed abatement that may present a fire hazard, and general cleanup of debris along the right-of-way that runs through several north coast cities. NCRA must also maintain and manage over 100 private crossings involving easements, leases, and other private encroachments on NCRA property.

(2) In 1999, the Mendocino Superior Court ordered NCRA to clean up nine rail yards between Eureka in Humboldt County and

Hopland in Mendocino County. NCRA is charged with the responsibility of managing this cleanup which is partially complete. The surface cleanup of scrap metal, railroad ties, abandoned vehicles, steel drums, and hazardous waste was complete in September 2004. In 2005, NCRA is to initiate and manage the subsurface cleanup of all nine sites.

(3) Capital funding is needed to repair track, bridges, crossing signals, culverts, and bank stabilization. NCRA must secure and manage the capital grants necessary to make the needed repairs. Once repairs are made and the Federal Railroad Administration lifts Emergency Order 21, NCRA will be well-placed to secure an operator.

(4) Pending capital grants approved for NCRA include seven million nine hundred thousand dollars (\$7,900,000) from FEMA, eight million nine hundred thousand dollars (\$8,900,000) from ISTEA, and forty-two million dollars (\$42,000,000) from the TCRP. NCRA estimates an annual need of an additional five hundred thousand dollars (\$500,000) to adequately address the above-referenced objectives.

(5) NCRA could utilize five hundred thousand dollars (\$500,000) in the 2005-06 fiscal year, with additional sums to be held in an interest-bearing account in the Sonoma County Auditors Office. All expenditures from this account would be subject to annual single-year audits in accordance with government accounting standards.

(6) Federal transportation legislation was enacted this year that, among other actions, forgives twelve million dollars (\$12,000,000) in federal loans to NCRA and would allow either reallocation of state TCRP funds dedicated to federal loan repayment or reversion of these funds to either the Transportation Investment Fund or the state General Fund.

(b) It is the intent of the Legislature to provide the necessary funding to facilitate the accomplishment of these objectives by authorizing reallocation of existing funding commitments to NCRA.

SEC. 2. Section 14556.50 of the Government Code is amended to read:

14556.50. The grant authorized under paragraph (32) of subdivision (a) of Section 14556.40 shall be allocated as follows:

(a) (1) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the North Coast Railroad Authority, allocated directly to the authority as directed by the commission at its first scheduled meeting immediately upon enactment of the Budget Act of 2000.

(2) Two hundred fifty thousand dollars (\$250,000) to defray the administrative costs of the authority, allocated directly to the authority as directed by the commission within six months from the date of enactment of the Budget Act of 2000.

(3) Five hundred thousand dollars (\$500,000) to defray the administrative costs of the authority, allocated to the authority as directed by the commission, within one year from the date of enactment of the Budget Act of 2000, if the commission determines that additional funding is needed by the authority as directed by the commission at its first scheduled meeting for administrative costs.

(b) Six hundred thousand dollars (\$600,000) to fund completion of the authority's rail line from Lombard to Willits, allocated directly to the authority immediately upon enactment of the Budget Act of 2000.

(c) One million dollars (\$1,000,000) to fund completion of the authority's rail line from Willits to Arcata, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(d) Five million dollars (\$5,000,000) to fund the upgrade of the authority's rail line to Class II or III status, allocated to the authority as directed by the commission.

(e) Four million one hundred thousand dollars (\$4,100,000) for environmental remediation projects, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(f) Ten million dollars (\$10,000,000) for the authority's debt reduction, allocated to the authority as directed by the commission, within six months from the date of enactment of the Budget Act of 2000.

(g) One million eight hundred thousand dollars (\$1,800,000) for use by the authority as local match funds, allocated to the authority as directed by the commission.

(h) (1) Five million five hundred thousand dollars (\$5,500,000) to be allocated to the authority, of which four

million dollars (\$4,000,000) shall be allocated to the authority to fund the remainder of the authority's cleanup obligations under the environmental remediation consent decree, and the remainder shall be allocated to the authority for its administrative responsibilities. The authority may not expend more than five hundred thousand dollars (\$500,000) annually from these funds for its administrative responsibilities.

(2) Any funds remaining unexpended from the allocation in paragraph (1) as of June 30, 2009, shall be transferred to the General Fund.

(i) Thirty-one million dollars (\$31,000,000) for long-term stabilization projects, allocated to the authority as directed by the commission.

Approved _____, 2005

Governor